



**MERIDIAN MINING UK Societas**  
(Expressed in United States Dollars)

**Annual report and financial statements**

Registered number SE000111

December 31, 2024

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## Strategic Report

### Description of Business

Meridian Mining UK Societas (the “Company” or “Meridian”) was formed in Amsterdam, Netherlands on December 16, 2013. Effective August 15, 2017, the Company transferred its official seat from the Netherlands to London, United Kingdom. The Company’s shares are listed on the Toronto Stock Exchange (“TSX”) under the symbol MNO, and on the OTCQX under the symbol MRRDF. The Company is currently engaged in the exploration and development of mineral deposits in Brazil, through its subsidiaries (together the “Group”), Rio Cabaçal Mineração Ltda (“Rio Cabaçal”) and Meridian Mineração Jaburi S.A. (“Jaburi”). The Company’s head office is located at 8th Floor, 4 More London Riverside, London, SE1 2AU, United Kingdom.

### Business Overview

Meridian is a resource development and exploration company with projects in Brazil. The Company signed a Purchase Agreement on November 6, 2020, to acquire the rights within the Cabaçal gold (“Au”) – copper (“Cu”) – silver (“Ag”) Volcanic Massive Sulfide (“VMS”) belt (“VMS Belt”), that included the historical Cabaçal Au-Cu-Ag mine (“Cabaçal”), and the separate Santa Helena Cu-Au-Ag and Zinc (“Zn”) mine (“Santa Helena”) in the state of Mato Grosso, Brazil. The Company has separately secured additional licences across the project’s VMS Belt, and in the parallel Jaurú and Araputanga greenstone belts to the west of Cabaçal.

The Company also has three non-core projects in the State of Rondônia: Espigão Cu-Au polymetallic (“Espigão”), Mirante da Serra Cu-Au (“Mirante da Serra”), and Ariqueemes tin (“Ariqueemes”).

### Strategy

Meridian’s vision is to create sustainable value for its stakeholders by exploring, developing and building high quality resource assets. The Company is committed to being a responsible steward of the environment and building collaborative partnerships with communities, governments, and all other stakeholders for mutual success.

The Company’s long-term focus is on the exploration, resource development and mine build of Cabaçal.

### Group Outlook

Our priorities are to focus on the near term development of Cabaçal and Santa Helena with a focus on resource development through to production at Cabaçal and Santa Helena.

In March 2025, the Company published a Pre Feasibility Study on Cabaçal (“PFS”). The Company plans to proceed to the next phase of studies by initiating Cabaçal’s Definitive Feasibility Study (“DFS”), during Q2 2025. This will involve detailed engineering, economic, metallurgical and final environmental studies. A small infill drilling program of Cabaçal will also be completed.

The Company is conducting a separate resource development program at Santa Helena, with the plan to publish an inaugural resource estimate. The Company has initiated a metallurgical program for Santa Helena based on the historical metallurgical data and flowsheet but with the inclusion of a gravity circuit for the recovery of any free gold mineralization.

Regional exploration along the VMS Belt is planned to progressively cover over 50km of strike of the prospective geology that is held by the Company under licence. The aim is to identify additional Cu-Au-Ag and Zn Lead (“Pb”) systems for drilling follow up.

The Company will continue to develop its Executive Management and Brazilian teams to meet business needs for the continual growth of the principal asset of Cabaçal.

## Performance Review

The review should be read in conjunction with the audited financial statements and notes.

The Board assesses the performance of the Company and its senior management by evaluating, on a quarterly basis, the level of cash holdings of the Company, management of costs, and capital expenditures.

All amounts are in United States (“US”) dollars and all units of measurement are expressed using the metric system, unless otherwise stated. References to “\$”, “US\$” or “dollars” are to US dollars, and references to “C\$” are to Canadian dollars.

## Financial key performance indicators

### Financial Performance highlights

#### *Results of Operations*

The consolidated financial statements reflect the financial performance of the Group for the year ended December 31, 2024. During the year ended December 31, 2024, the Company incurred a total comprehensive loss of \$20,013,091 as compared to a total comprehensive loss of \$11,515,017 for the year ended December 31, 2023.

Operating expenses totaled \$17,788,926 for the year ended December 31, 2024, compared to \$12,353,410 for the year ended December 31, 2023. The main expenses that had a significant impact on the expenses for the Company were the increase in activities associated with the exploration programs at Cabaçal and Santa Helena in 2024 and the impairment of exploration and evaluation assets related to the Espigão project recognised in Q4 2024.

Operating expenses with significant balances or significant movements include:

- Exploration and evaluation costs increased to \$8,722,577 (2023- 6,626,328). The variance was primarily due to the addition of two drilling rigs in Q2 2024, in both Cabaçal and Santa Helena, increasing all the associated costs related to the drilling programs, including assays costs. The initiation of various studies as part of the PFS, including metallurgical test work and geotechnical drilling to test planned infrastructure areas, also contributed to the variance.
- General and administration expenses increased to \$2,977,345 (2023 - \$2,717,988). The variance was mainly driven by an increase in management and directors’ fees due to changes in fees and salaries by certain executives and in the consulting expenses.
- Professional fees decreased to \$724,759 (2023 - \$925,280). The decrease was mainly related to professional fees incurred in connection with the preparation of the short form base shelf prospectus, certain strategic advisory services, and legal fees associated with corporate matters in 2023.
- Share based compensation of \$118,834 (2023 – \$1,886,207). Variance related to the issuance of 780,000 stock options in 2024 to certain consultants, compared to 10,390,136 options issued in 2023 to Directors, Officers, employees and consultants.
- Impairment of exploration and evaluation assets expenses increased to \$4,976,904 (2023 – \$nil). The increase was related to the impairment of exploration and evaluation assets related to the Espigão project.
- Foreign exchange loss of \$795,756 (2023 – gain of \$231,166). The foreign exchange loss was incurred mainly due to fluctuation of exchange rates related to the translation of the Canadian dollars cash balances to US dollars during 2024 compared to 2023.
- The results for the year ended December 31, 2024, included other comprehensive loss of \$1,778,186 (2023 – gain of \$470,841) comprised of foreign currency translation, which are related primarily to the translation of the Company’s Brazilian subsidiaries to the presentation currency of the financial statements, US Dollars, from their functional currency, Brazilian Real.

Detailed breakdowns of exploration costs for the year ended December 31, 2024 are provided in the notes to the consolidated financial statements.

## Non-financial key performance indicators

The Board establishes targets to maintain and improve the operational performance of the Group. These targets primarily focus on exploration and development of mineral properties, environment and corporate structure, areas which the Board considers important for the short and long-term success of the Group and its operations.

### Cabaçal Highlights

The Company worked to upgrade the engineering studies, metallurgical flow sheets, geotechnical reports and drill programs to complete the PFS on an expanded production case focused on an initial throughput of 2.5Mt p.a. then expanded to reach a maximum throughput of 4.5Mt.

Work completed on Cabaçal from January to December 2024 included:

- 133 surface diamond holes for 15,841m for resource definition;
- A total of 37 geotechnical holes at Cabaçal to test planned infrastructure areas: 15 diamond holes, 13 percussion holes and 9 auger holes;
- Mine engineering studies;
- Metallurgical studies;
- Geotechnical drill program and related studies; and
- 4 trenches for 334m and 3 auger holes for sterilization of planned infrastructure area.

### Santa Helena Highlights

- 55 surface diamond holes for 5,235m for resource definition;
- 15 auger holes to mapping the surface mineralisation projection; and
- Further metallurgical test work programs, for which final results are pending.

### Exploration Highlights

#### Regional Exploration

- 19 surface diamond holes for 2,051m;
- Geophysics, with 36 down hole surveys completed, 42.65 line kilometers of gradient array induced polarization surveys, 11.07 line kilometers of Mise-à-la-Masse bore-hole, and 18.95 line kilometers of fixed-loop transient electromagnetic;
- Surface geochemistry, with 604 soil samples and 46 rock chip sample collected; and
- Compilation of historical geochemical data over the regional licence application areas.

### Subsequent to December 31, 2024:

### Corporate Highlights

- On February 19, 2025, the Company closed a non-brokered private placement through the issuance of 44,187,432 common shares at a price of C\$0.39 per common share for gross proceeds to the Company of C\$17,233,098 (\$12,127,300). Insiders of the Company participated in the Private Placement and purchased an aggregate of 279,744 common shares. The common shares issued pursuant to the private placement are subject to a four-month hold period expiring on June 20, 2025.
- On March 10, 2025, the Company appointed Mr. David Halkyard to the role of Senior Vice President – Finance, to lead Cabaçal's project finance team.
- The Company also issued:
  - 21,538 common shares related to the exercise on a cashless basis (net exercise) of 70,000 share purchase stock options, in accordance with the Company's omnibus plan; and
  - 2,677,504 common shares for cash proceeds of \$829,656 pursuant to the agent's compensation options at the exercise price of C\$0.35 and C\$0.50.

## Liquidity and Capital Management

As at December 31, 2024, the Group reported a working capital of \$6,051,029 (December 31, 2023 – \$5,079,419) which included cash of \$7,710,874 (December 31, 2023 - \$7,095,927) and prepaid expenses and other assets of \$382,628 (2023 - 385,818). Included in current liabilities on December 31, 2024, are accounts payable and accrued liabilities of \$1,630,681 (December 31, 2023 - \$1,854,349), current provisions of \$282,665 (December 31, 2023 - \$363,330) and taxes and fees payable of \$129,127 (December 31, 2023 - \$184,647).

On April 9, 2024, the Company closed a bought deal offering through the issuance of 57,500,000 common shares at a price of C\$0.35 per common share for aggregate gross proceeds to the Company of \$14,826,174 (C\$20,125,000). The Company paid an agent's cash commission totalling \$561,170 (C\$761,535) and issued 2,101,628 agent compensation options, valued at \$302,406 (C\$410,565). Each agent's compensation options entitle the holder to purchase one common share at an exercise price of C\$0.35, expiring April 9, 2026. The Company incurred other share issuance costs of \$530,004 on this offering. Total transactions costs incurred and allocated to share premium was \$1,393,580.

On February 19, 2025, the Company closed a private placement through the issuance of 44,187,432 common shares at a price of C\$0.39 per common share for gross proceeds to the Company of C\$17,233,098.

The Company had historically relied upon capital contributions and debt facilities provided by its shareholders, to maintain an adequate level of cash to satisfy its capital and operating requirements. At the start of 2020, the Company focused solely on capital contributions from existing and new shareholders to satisfy its capital and operating requirements. As of December 31, 2024, the Company does not have any other sources of funding. The Company will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability.

To continue as a going concern, the Company will need to secure new funding. The ability of the Company to arrange additional financing in the future will depend, in part or in combination there-off, on the prevailing capital market conditions, the advancement of Cabaçal's DFS program, resource development success at Santa Helena and regional exploration successes. There can be no assurance that these initiatives will be successful, or sufficient financing, including financing from its shareholders, will be available or that positive market conditions may be present. These material uncertainties cast significant doubt as to the ability of the Company to meet its business plan and obligations as they become due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The consolidated financial statements do not include adjustments to the recoverability and classifications of recorded assets and classification of liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

### Contractual Obligations

As at December 31, 2024, contractual obligations from continuing operations are as follows:

	Less than 1 year \$	Less than 2 years \$	2 years or greater \$	Total \$
Trade and other payables	1,630,681	-	-	1,630,681
Provisions	282,665	-	-	282,665
	<u>1,913,346</u>	<u>-</u>	<u>-</u>	<u>1,913,346</u>

### Risk Factors

Companies in the exploration, development and mining stage face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility and practicability, risks related to determining the validity of mineral property title claims, commodities prices, changes in laws and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions.

Significant risk factors have been identified by the Company and are listed below. Further discussion and additional risk factors are also available in the Company's most recent Annual Information Form, as filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)

Risks and uncertainties the Company considers material in assessing its consolidated financial statements are described below.

*Meridian will require additional funding*

As at December 31, 2024, the Group had positive working capital of \$6,051,029, which included cash of \$7,710,874, prepaid expenses and other assets of \$382,628, and accounts payable and accrued liabilities, taxes and fees payable, and provisions of \$2,042,473.

The Company has historically relied upon both equity and shareholder contributions, loan facilities, private placements and offerings to satisfy its capital requirements and will likely continue to depend upon these sources to finance its activities. The Company will require additional capital to carry out planned exploration programs. There can be no assurances that the Company will be successful in raising the desired level of financing.

*Mitigation*

The Company maintains strong relationships with shareholders and has ongoing investor relations programs targeting existing and potential investors. The Company graduated to OTCQX® Best Market (the "OTCQX") under the symbol "MRRDF", having graduated from the OTCQB® Venture Market on May 11, 2023. The Company's common shares continue to trade on the Toronto Stock Exchange (the "TSX") under the symbol "MNO". As a result of the graduation and the fact of being traded on the TSX, the Company becomes more accessible, with stable liquidity, to a broader range of investors.

*Meridian is subject to government regulation*

The Group's mineral activities, including exploration, development and mining activities are subject to various laws governing exploration, development, production, taxes, labour standards and occupational health, mine safety, environmental protection, toxic substances, land use, water use and other matters. Failure to comply with applicable laws and regulations may result in civil, administrative, environmental, or criminal fines, penalties, or enforcement actions, including orders issued by regulatory authorities curtailing the Company's operations or requiring corrective measures, any of which could result in the Company incurring substantial expenditures. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development, or mining operations.

*Mitigation*

The Group maintains collaborative and proactive dialogue with the relevant government departments and adheres to the required permitting process and title requirements. The Group engages personnel and consultants experienced in the various aspects of the licensing and permitting process to ensure that it maintains compliance with applicable laws and regulations.

*Exploration, development and mining activities can be hazardous and involve a high degree of risk*

The Group's operations are subject to all the hazards and risks normally encountered in the exploration, development and mining industry, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, pit-wall failures, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and legal liability. Milling operations, if any, are subject to various hazards, including, without limitation, equipment failure and failure of retaining dams around tailings disposal areas, which may result in environmental pollution and legal liability.

*Mitigation*

The Group employs experienced and trained personnel to ensure effective day-to-day management of its activities. It has stringent health and safety policies in place, regular health and safety briefings and inspections, including ongoing health and safety mandatory training for its team.

*Meridian may be adversely affected by fluctuations in copper, gold, and other metal prices*

The value and price of the Company's common shares, the Group's financial results, and exploration, and development activities of the Group, if any, may be significantly adversely affected by declines in commodity prices. Base metals and precious metals prices fluctuate widely and are affected by numerous factors beyond the Company's control such as interest rates, exchange rates, inflation or deflation, global and regional supply and demand, and the political and economic conditions of mineral producing countries throughout the world.

*Mitigation*

The Board and senior management closely monitor commodity prices and other events that may influence commodity prices in order to assess how these changes could affect the Company's ability to raise funds and adjust exploration programs accordingly to preserve cash to reflect its ability to finance the Company.

*Meridian does not and likely will not insure against all risks*

The Group's insurance will not cover all the potential risks associated with a mining company's operations. The Group may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental damages, pollution, or other hazards as a result of the exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Group might also become subject to environmental liability or other hazards which may not be insured against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Meridian to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

*Mitigation*

The areas affected in the previous manganese operations and exploration areas are in the final stages of the rehabilitation, complying with applicable laws and regulations and done in accordance with the best environmental practices.

*Meridian is dependent on key personnel*

The Group's success depends in part on its ability to recruit and retain qualified personnel. Due to its relatively small size, the loss of the services of one or more of such key management personnel could have a material adverse effect on the Group. In addition, despite its efforts to recruit and retain qualified personnel, even when those efforts are successful, people are fallible and human error could result in a significant uninsured loss to the Group.

*Mitigation*

The Board and senior management assess periodically the levels of compensation to ensure that they are competitive and motivating to attract, hold and inspire senior management and key personnel.

*Meridian's officers and directors may have potential conflicts of interest*

Meridian's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation.

*Mitigation*

Applicable laws require the Directors and Officers to act honestly, in good faith, and in the best interests of the Company and its shareholders and in the case of Directors, to refrain from participating in the relevant decision in certain circumstances.

### *Operations in Brazil and Regulatory Requirements*

The Group's principal properties are located in Brazil and mineral exploration and mining activities may be affected in varying degrees by changes in political, social, and financial stability, inflation and changes in government regulations relating to the mining industry. Any changes in regulations or shifts in political, social, or financial conditions are beyond the control of the Group and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation, and mine safety. Brazil's status as a developing country may make it more difficult for the Group to obtain any financing required for the exploration and development of its properties due to real or perceived increased investment risk. Since January 1996, there are no restrictions on the repatriation from Brazil on the earnings of foreign entities, provided that the foreign investments are duly registered before the Central Bank of Brazil. Capital investments registered with the Central Bank in Brazil may similarly be repatriated. The only restrictions to repatriation on the earnings/dividends of foreign entities deriving from Brazilian invested companies are in the cases of subscribed capital not fully paid in by the foreign investor, or in case the Brazilian invested company has accumulated losses registered in its balance sheet. In any case, there can be no assurance that restrictions on repatriation of earnings and capital investments from Brazil will not be imposed in the future.

#### *Mitigation*

The Board and senior management monitors closely the political and economic scenarios in Brazil in order to act accordingly in an event that could impact the continuity of the Group's operation or the return of its investments in Brazil. The Group also retains personnel, consultants, and advisors with extensive knowledge of Brazil.

#### *Permits, licenses and approvals*

In Brazil, where the Group carries out exploration activities, the mineral rights, or certain portions of them, are owned by the relevant governments. These governments have entered into contracts with the Group's Brazilian subsidiaries or granted permits or concessions that allow it to carry out operations or development and exploration activities there, but government policy could change. Any change that affects the Group's rights to conduct these activities could have a material and adverse effect on the Group.

In addition, mineral exploration and mining activities can only be conducted by entities that have obtained or renewed exploration or mining permits and licenses in accordance with the relevant mining laws and regulations. The duration and success of each permitting effort are contingent upon many factors we do not control. In the case of foreign operations, government approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. There may be delays in the review process. There is no guarantee that we will be granted the necessary permits and licenses, that they will be renewed, or that we will be in a position to comply with all conditions that are imposed.

All mining projects require a wide range of permits, licenses and government approvals and consents. It is not certain that the Group will be granted these in a timely manner, or at all. If it does not receive them for its mineral projects or is unable to maintain them, it could have a material and adverse effect on the Group.

#### *Mitigation*

The Group maintains collaborative and proactive dialogue with the relevant government departments and adheres to the required permitting process and title requirements. The Group engages personnel, consultants and legal advisors experienced in the various aspects of the licensing and permitting process to ensure that it maintains compliance with applicable laws and regulations.

#### *Risks Inherent in Acquisitions*

The Group may actively pursue the acquisition of exploration, development, and production assets consistent with its acquisition and growth strategy. From time to time, the Group may also acquire securities of or other interests in companies with respect to which it may enter into acquisitions or other transactions. Acquisition transactions involve inherent risks, including but not limited to: accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates; ability to achieve identified and anticipated operating and financial synergies; unanticipated costs; diversion of management attention from existing business; potential loss of the Group's key employees or key employees of any business acquired; unanticipated changes in business, industry

or general economic conditions that affect the assumptions underlying the acquisition; and decline in the value of acquired properties, companies or securities. Additionally, the legal form of these acquisitions may result in the Group becoming liable for the historical operations of the acquisition.

To acquire properties and companies, the Group may be required to use available cash, incur debt, issue additional Common Shares or other securities, or a combination of any one or more of these. This could affect the Group's future flexibility and ability to raise capital, to explore, develop and operate its properties and could dilute existing shareholders and decrease the trading price of the Common Shares. There is no assurance that when evaluating a possible acquisition, the Group will correctly identify and manage the risks and costs inherent in the business to be acquired. There may be no right for the Group shareholders to evaluate the merits or risks of any future acquisition undertaken by the Group, except as required by applicable laws and regulations.

#### *Mitigation*

After identifying a potential asset for acquisition that is aligned with the Group's goals, the Group will assign experienced personnel to assess the technical potential of the asset and retain legal counsel to conduct a due diligence in the acquisition target before reaching a decision.

## **Statement by the Directors in performance of their statutory duties in accordance with Section 172(1) Companies Act 2006**

The Directors of Meridian, in line with their duties under section 172 of the Companies Act 2006, consider, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members and stakeholders in the decisions that it has taken during the year ended December 31, 2024.

Through working collaboratively with management and having an open and transparent dialogue with the Company's many stakeholders, the Board believes that Meridian has been able to develop a clear understanding of their needs, assess their perspectives and is well positioned to promote the success of the Company. Meridian's strategy is outlined in the Strategic Report, section Strategy (page 3).

As part of the Board's decision-making process, the Directors consider the potential impact of decisions on relevant stakeholders, including the impact of the Group's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term. The Board of Directors has considered the following matters, amongst others:

### *Availability and need for capital whether in the form of equity, debt or other sources of financing*

The Company has historically relied upon capital contributions and debt facilities provided by its shareholders, to maintain an adequate level of cash to satisfy its capital and operating requirements.

During the year ended December 31, 2024, The Company received proceeds from the bought deal offering net of costs of \$13,735,000 (2023 - \$12,604,844), and \$329,799 (December 31, 2023 - \$102,589) related to the exercises of stock options and agent's compensation options.

The Company will need to secure new funding to advance the development of its Portfolio. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions, , advancement of Cabaçal future DFS program, Santa Helena's resource development program and regional exploration successes. There can be no assurance that these initiatives will be successful, or sufficient financing, will be available.

### *Increase long-term value for shareholders*

Meridian's vision is to create sustainable value for its stakeholders by discovering and developing high quality resource assets. The Company is committed to being a responsible steward of the environment and building collaborative partnerships with communities, governments, and all other stakeholders for mutual success.

With a long-term perspective, our primary focus revolves around the exploration and resource development of the VMS Belt and Cabaçal. The Belt holds potential and represents a significant opportunity for Meridian. The Company is committed to advancing Cabaçal diligently, leveraging the Group's expertise and resources to unlock its full value.

In addition to our commitment to Cabaçal, we are also progressing the Group's Santa Helena project. By continuously advancing these projects, we aim to expand our resource base and diversify our operations, creating a robust portfolio that strengthens the Company's position in the market.

### *The impact of the Group's operations on the community and the environment*

Given the nature of the Group's business, the Board places significant value on these relationships and the Group's operating and development plans are specifically designed to build upon them.

Some of the actions adopted:

- Environmental and community relationships are managed directly by employees, residents in Mato Grosso state;
- Professional compensation packages for landowners impacted by the Group's activities are agreed to in advance;
- Safety and environmental improvements are continuously monitored and upgraded;
- Investment in road infrastructure and the installation of safety signs for external and internal accesses to the projects' access areas; and
- Partnership with Mato Grosso Federal University to provide field experience for its students.

The Group has implemented an improved rehabilitation process whereby rehabilitation is incorporated into the exploration activities sequence providing lower operational costs and a more rapid return of impacted land back to the owners with enhanced land values.

The Environmental, Health and Safety Policy has been adopted to affirm the Group's commitment to protecting the environment as well as the health and safety of its directors, officers, employees and consultants and the communities in which the Company conducts its activities. Pursuant to the Environmental, Health and Safety Policy, management, under the Board's supervision, will ensure that environmental, health and safety policies, programs, and performance standards are an integral part of our planning and decision-making. The Company's directors, officers, employees and consultants are responsible and accountable for compliance and have an obligation to bring issues forward to management for resolution. The full text of the Environmental, Health and Safety Policy is available for download on the Company's website at [www.meridianmining.co](http://www.meridianmining.co)

#### *Employee Interests: A Commitment to Satisfaction, Development, and Well-being*

The Directors recognise that Meridian employees are key to its success and to the delivery of the Group's strategic ambitions. The success of the Group's business depends on attracting, retaining, and motivating employees. The Group seeks to remain a responsible employer regarding pay and benefits, whilst health, safety and well-being of our employees is one of the primary considerations, how we undertake our business.

The Company has a Compensation Committee that consists of Messrs. Bruce McLeod (Chair), Douglas E. Ford and Mrs. Susanne Sesselmann, all of whom are independent Directors. The Compensation Committee implemented a written charter which was last reviewed on November 28, 2023. A copy of the charter is available on the Company's website at [www.meridianmining.co](http://www.meridianmining.co). The Compensation Committee's responsibilities are, among others:

- Reviewing the Company's overall compensation philosophy;
- Addressing matters related to compensation of the Chief Executive Officer (the "CEO");
- Making recommendations to the Board with respect to non-CEO and director compensation, incentive-compensation plans and equity-based plans; and
- Reviewing executive compensation disclosure before the Company publicly discloses this information.

With expanded programs at Cabaçal delaying the PFS's reporting until 2025 and recognizing market conditions, no stock options were granted in 2024. As at December 31, 2024, the balance of the stock options outstanding to directors, employees and consultants was 17,289,307 options with a weighted-average exercise price of C\$0.61 per option. For further details, please refer to note 13.

#### *The need to foster business relationships with suppliers and others*

The specialist nature of its activities, and the location of the Group's operations, limits the diversity of the supplier base that the Group can access. The Board has been involved in decisions regarding the selection of suppliers and contractors for material capital and operational expenditures, balancing a desire to support local business and to avoid becoming overly reliant on any single supplier.

#### *Maintenance of standards of business conduct*

The Board has a role in ensuring that a business is sustainable in the long term. The Board places significant importance on operating to the highest ethical standards, whether this be in relations to government, suppliers, shareholders or employees.

The Board adopted a Code of Business Conduct and Ethics on December 21, 2016, which was last updated on February 13, 2024. The Company's Code of Business Conduct and Ethics affirms the Group's commitment to uphold high moral and ethical principles and specifies the basic norms of behaviour for those conducting business on its behalf. While the Group's business practices must be consistent with the business and social practices of the communities in which the Group operates, the Group believes that honesty is the essential standard of integrity in any locale. Thus, though local customs may vary, the Group's activities are to be based on honesty, integrity and respect. The Group's Code of Business Conduct and Ethics is posted on the Company's website at [www.meridianmining.co](http://www.meridianmining.co). In addition to the Group's Code of Business Conduct and Ethics, each director, officer and employee is expected to comply with relevant corporate and securities laws and, where applicable, the terms of their employment agreements.

The Corporate Governance Committee monitors the compliance with the Company's Code of Business Conduct and Ethics and also ensures that management encourages and promotes a culture of ethical business conduct.

#### *Key strategic decisions*

The key strategic decisions approved by the Board during 2024 were:

- Closed a bought deal offering through the issuance of 57,500,000 common shares at a price of C\$0.35 per common share for aggregate gross proceeds to the Company of C\$20,125,000;
- Engagement of Ausenco do Brasil Engenharia Ltda and Ausenco Engineering Canada ULC, supported by GE 21 Mineral Consultants Ltd to lead the Pre-Feasibility Study ("PFS") for Cabaçal. On March 31, 2025, the Company announced the filing on SEDAR+ of the independent technical report for the PFS entitled "Cabaçal Gold-Copper Project NI 43-101 Technical Report and Pre-feasibility Study, Mato Grosso, Brazil".
- Initiated a separate resource development program at Santa Helena, with the plan to publish an inaugural resource estimate.
- Forgoing of any stock option grants to Directors, employees and consultants in 2024.

By order of the Board

*"Gilbert Clark"*

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**Mr. Gilbert Clark**  
*Director*

May 8, 2025

## **Directors' Report**

### **Directors**

The Directors who held office during the year ended December 31, 2024, and for which this Annual Report has been produced were as follows:

Mr. Bruce McLeod	Mr. John Skinner
Mr. Gilbert Clark	Mr. Douglas Ford
Dr. Adrian McArthur	Mr. Neil Gregson
Ms. Susanne Sesselmann	

### **Directors' Responsibilities Statement**

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the parent and consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs), in conformity with the requirements of the Companies Act 2006. Under Company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Group and parent company for that period. In preparing the financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable IFRSs, in conformity with the requirements of the Companies Act 2006 have been followed for the Group financial statements and IFRSs, in conformity with the requirements of the Companies Act 2006 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group and parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and parent company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Disclosure of information to auditor**

The Directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

### **Employees, health and safety**

The Group is an equal opportunity employer and encourages diversified culture in workplace. Disclosures in respect of how the directors have engaged with employees regarding their interests are included in section "*Employee Interests: A Commitment to Satisfaction, Development, and Well-being*" in the Strategic Report, page 12.

To promote employees' engagements, management regularly holds team meetings to communicate on factors that affect Group's performance. Safety remains one of number one priorities and one of Group's core values.

The Group is always working to continue to improve personal and process safety. All Group's employees and contractors have the responsibility to stop unsafe work and perform tasks under Group's safety rule guide to stay safe.

## Results and dividends

The Group's comprehensive loss for the year amounts to \$20,013,091 (December 31, 2023 – loss of \$11,515,017). To date, the Company has never declared or paid cash dividends to its shareholders.

Any future determination relating to Group's dividend policy will be made at the discretion of the Board and will depend on a number of factors including future earnings, capital requirements, contractual restrictions, financial condition and other factors that the Board may deem relevant from time to time.

## Matters referred to in the Strategic Report

Future developments, principal risks and uncertainties and the fostering of the Group's business relationships disclosures required in the Directors' Report are included in the Strategic Report.

## Post balance sheet events

Refer to Subsequent Events (note 21).

## Indemnification of Directors and Officers

During the financial year, the Company purchased directors' and officers' insurance. In general terms, the insurance cover indemnifies individual directors and officers of the Group against certain personal legal liabilities and legal defence costs for claims arising out of actions connected with Group business.

## Independent Auditor

PKF Littlejohn LLP have expressed their willingness to continue as auditor and a resolution to re-appoint PKF Littlejohn LLP will be proposed at the Annual General Meeting.

## Directors' Interests

	Number of shares owned	
	December 31, 2024	December 31, 2023
Dr. Adrian McArthur	1,065,890	717,874
Gilbert Clark	4,215,809	2,198,400
John Skinner	5,081,166	5,081,166
Susanne Sesselmann	137,000	137,000
Bruce McLeod	900,000	700,000
Douglas Ford	501,000	361,000
Neil Gregson	12,000	12,000
<b>Total</b>	<b>11,912,865</b>	<b>9,207,440</b>

## Going Concern

To continue as a going concern, the Company will need to secure new funding. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration successes. There can be no assurance that these initiatives will be successful, or sufficient financing will be available. These material uncertainties cast significant doubt as to the ability of the Company to meet its business plan and obligations as they become due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. This is consistent with the auditor's report, where a material uncertainty related to going concern has been noted.

These financial statements do not include adjustments to the recoverability and classifications of recorded assets and liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The recoverability of the amounts shown for mineral properties is dependent on the existence and economic extraction of resources, the capacity to obtain financing to complete the development of such resources, the ability to obtain the necessary licenses and permits and meet the Group's obligations under various agreements, stability or increases in future commodity prices, and the success of future operations or dispositions of the mineral properties.

By order of the Board

*"Gilbert Clark"*

**Mr. Gilbert Clark**

*Director*

8th Floor, 4 More London Riverside, London, SE1 2AU, United Kingdom

May 8, 2025

## **Independent Auditor's Report to the members of Meridian Mining UK Societas**

### **Opinion**

We have audited the financial statements of Meridian Mining UK Societas (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statements of Cash Flows, the Consolidated Statement of Changes in Equity, the Parent Company Statement of Financial Position, the Parent Company Statement of Cash Flows, the Parent Company Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's and company's loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- the group and parent company financial statements have been properly prepared in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material uncertainty related to going concern**

We draw attention to note 1.3 in the consolidated financial statements, which indicates that continued operations of the group and further exploration and development of its exploration and evaluation assets is dependent on the group's ability to obtain additional financing and generate profitable operations in the future. As stated in note 1.3, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

### **Our application of materiality**

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements. For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced.

We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. In determining our overall audit strategy, we assessed the level of uncorrected misstatements that would be material

for the financial statements as a whole. We determined the group materiality for the financial statements as a whole to be \$168,000 (2023: \$240,000), The threshold was calculated based on 1% of gross assets, as we consider this to be the most relevant benchmark for investors. Performance materiality was set at 70% of materiality for the financial statements being \$117,000 (2023: \$168,000) for the group, and \$93,000 (2023: \$167,999) for the parent company.

The threshold for reporting unadjusted differences to those charged with governance was set at \$8,000 (2023: \$12,000) for the group and \$8,000 (2023: \$11,999) for the parent company. We also agreed to report differences below that threshold that, in our view, warranted reporting on qualitative grounds.

### Our approach to the audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the key audit matter
<p><b>Carrying value and assessment of impairment of intangible exploration evaluation assets (note 7)</b></p>	
<p>The carrying value of the Cabaçal Project and Espigão Project within intangible assets comprises the most material asset on the balance sheet at the year-end and is key to the group's business activities. There is a risk that the group's carrying value of the intangible asset is overstated and an impairment charge is required.</p> <p>The assessment of the carrying value is subject to management judgement and estimation and as a result this is considered to be a key audit matter.</p>	<p>We reviewed and evaluated the impairment assessment prepared by management in relation to the Cabaçal and Espigão projects, including the impairment of the Espigão project. Our procedures also included an assessment of the exploration and evaluation projects with reference to the criteria listed within IFRS 6, to include whether:</p> <ul style="list-style-type: none"> <li>• the group holds good title to the key project licences;</li> <li>• progress on the project towards construction has been achieved during the year and subsequent to the year-end;</li> <li>• exploration and evaluation work to date indicates that the carrying amount is unlikely to be recovered from further development or sale; and</li> <li>• substantive expenditure on further exploration and evaluation is not budgeted or planned.</li> </ul>

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, The directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and application of our cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from, Companies Act 2006, IFRS accounting standards, and the operating terms set out in the mining licenses, as well as local laws and regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to: enquiries of management,

review of minutes, review of legal or regulatory correspondence and completion of a disclosure checklist.

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the posting of unusual journals. The potential for management bias was also identified in relation to the impairment of goodwill. We addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimates, as described in the 'Key Audit Matters' section of this report.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- We issued group audit instructions and maintained effective communication with the component auditors to ensure that any issues in relation to fraud and irregularities would be effectively communicated.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with our engagement letter dated 17 May 2023. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Joseph Archer (Engagement Partner)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**  
*8 May 2025*

15 Westferry Circus  
Canary Wharf  
London E14 4HD

**Consolidated Statement of Profit and Loss and Other Comprehensive Loss**  
*for year ended December 31, 2024*

	Note	2024 \$	2023 \$
<b>Operating expenses</b>			
Exploration and evaluation expenses	3	8,722,577	6,626,328
General and administrative expenses	3	2,977,345	2,717,988
Professional fees		724,759	925,280
Care and maintenance expenses		73,920	62,450
Gain on Sale of property, plant and equipment		-	(23,939)
Share-based payments	13	118,834	1,886,207
Depreciation and amortization expenses		194,587	175,216
Impairment of reversal on property, plant and equipment		-	(16,120)
Impairment of exploration and evaluation assets		4,976,904	-
<b>Operating loss</b>		<b>(17,788,926)</b>	(12,353,410)
<b>Finance items</b>			
Finance income		388,384	194,816
Finance expense		(38,607)	(58,431)
Foreign exchange		(795,756)	231,166
<b>Net financing income / (expense)</b>		<b>(445,979)</b>	367,551
<b>Loss for the year before tax</b>		<b>(18,234,905)</b>	(11,985,859)
Income tax expense	5	-	-
<b>Loss for the year</b>		<b>(18,234,905)</b>	(11,985,859)
<b>Other comprehensive income / (loss)</b>			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences – foreign operations		(1,778,186)	470,841
<b>Total Other Comprehensive income / (loss) for the year, net of income tax</b>		<b>(1,778,186)</b>	470,841
<b>Total comprehensive loss for the year</b>		<b>(20,013,091)</b>	(11,515,018)
<b>Net loss attributable to:</b>			
Equity holders of the parent		(18,234,905)	(11,985,858)
Non-controlling interest		-	-
		(18,234,905)	(11,985,858)
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the parent		(20,013,091)	(11,515,017)
Non-controlling interest		-	-
<b>Total comprehensive loss for the year</b>		<b>(20,013,091)</b>	(11,515,017)
<b>Loss per share (“EPS”) (note 13)</b>			
Basic		\$ (0.06)	\$ (0.05)
Diluted		\$ (0.06)	\$ (0.05)
<b>Weighted Average Number of Shares Outstanding (000s)</b>			
Basic		285,681	228,903
Diluted		285,681	228,903

## Consolidated Statement of Financial Position

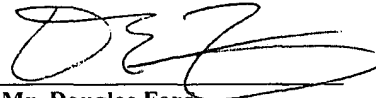
	Note	December 31, 2024 \$	December 31, 2023 \$
<b>Non-current assets</b>			
Property, plant and equipment	6	653,781	914,547
Intangible assets		37,167	35,415
Exploration and evaluation assets	7	2,447,566	9,019,501
<b>Total non-current assets</b>		<b>3,138,514</b>	<b>9,969,463</b>
<b>Current assets</b>			
Cash and cash equivalents		7,710,874	7,095,927
Prepaid expenses and other assets	8	382,628	385,818
<b>Total current assets</b>		<b>8,093,502</b>	<b>7,481,745</b>
<b>Total assets</b>		<b>11,232,016</b>	<b>17,451,208</b>
<b>Current liabilities</b>			
Trade and other payables	9	1,630,681	1,854,349
Provisions	10	282,665	363,330
Taxes and fees payable	11	129,127	184,647
<b>Total current liabilities</b>		<b>2,042,473</b>	<b>2,402,326</b>
<b>Non-current liabilities</b>			
Provisions	10	-	20,146
Taxes and fees payable	11	-	9,735
<b>Total non-current liabilities</b>		<b>-</b>	<b>29,881</b>
<b>Total liabilities</b>		<b>2,042,473</b>	<b>2,432,207</b>
<b>Net assets</b>		<b>9,189,543</b>	<b>15,019,001</b>
<b>Equity attributable to equity holders of the parent</b>			
Share capital	14	3,413,029	2,736,732
Share premium	14	141,451,944	128,187,393
Reserves	14	7,492,813	9,028,214
Deficit attributable to common shareholders		(143,168,243)	(124,933,338)
<b>Total equity</b>		<b>9,189,543</b>	<b>15,019,001</b>

These financial statements were approved and authorised for issue on May 8, 2025 and were signed on its behalf by:



Mr. Gilbert Clark  
Director

Company registered number: SE000111



Mr. Douglas Ford  
Director

## Company Statement of Financial Position

	<i>Note</i>	December 31, 2024 \$	December 31, 2023 \$
<b>Non-current assets</b>			
Financial fixed assets	15	10,845,031	28,692,669
Exploration and evaluation assets		341,966	341,966
Intercompany loans	16	13,404,708	11,629,140
<b>Total non-current assets</b>		<b>24,591,705</b>	<b>40,663,775</b>
<b>Current assets</b>			
Prepaid expenses and other assets	8	218,457	247,530
Cash at bank and on hand		7,454,742	7,011,475
<b>Total current assets</b>		<b>7,673,199</b>	<b>7,259,005</b>
<b>Total assets</b>		<b>32,264,904</b>	<b>47,922,780</b>
<b>Current liabilities</b>			
Trade payables	9	393,666	244,351
Taxes and fees payables	11	14,963	11,372
Intercompany loans	16	793,245	793,245
<b>Total current liabilities</b>		<b>1,201,874</b>	<b>1,048,968</b>
<b>Total liabilities</b>		<b>1,201,874</b>	<b>1,048,968</b>
<b>Net assets</b>		<b>31,063,030</b>	<b>46,873,812</b>
<b>Capital and reserves</b>			
Share capital	14	3,413,029	2,736,732
Share premium	14	141,451,944	128,187,393
Reserves	14	19,437,878	19,195,093
Deficit attributable to common shareholders		(133,239,821)	(103,245,406)
<b>Shareholders' funds</b>		<b>31,063,030</b>	<b>46,873,812</b>

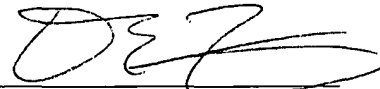
A separate statement of comprehensive income for Meridian Mining UK Societas has not been prepared as permitted by Section 408 of the Companies Act 2006. The loss of the Company for the year ended December 31, 2024 was \$2,869,092 (2023 – Loss of \$4,113,607).

These financial statements were approved and authorised for issue on May 8, 2025 and were signed on its behalf by:



Mr. Gilbert Clark  
Director

Company registered number: SE000111



Mr. Douglas Ford  
Director

### Consolidated Statement of Changes in Equity

	Share Capital		Reserves					Deficit	Total – shareholders' capital attributable to parent
	Share capital	Share premium	Conversion note reserve	Share based payments	Warrant reserve	Other Reserves	Accumulated other comprehensive loss		
	\$	\$	\$	\$	\$	\$	\$	\$	
Equity shareholders' funds at 1 January 2023	2,300,486	115,806,259	462,185	5,303,215	66,223	14,436,271	(13,803,747)	(112,947,479)	11,623,413
Foreign currency translation	-	-	-	-	-	-	470,841	-	470,841
Profit for year	-	-	-	-	-	-	-	(11,985,859)	(11,985,859)
Total comprehensive income for the year	-	-	-	-	-	-	470,841	(11,985,859)	(11,515,018)
Share-based payments	-	-	-	1,886,207	-	-	-	-	1,886,207
Shares issued on public offering financing (Note 14)	404,236	13,116,481	-	-	-	-	-	-	13,520,717
Share issuance costs (Note 14)	-	(1,180,026)	-	-	264,153	-	-	-	(915,873)
Shares issued regarding Cabaçal agreement payment (note 14)	10,883	306,083	-	-	-	-	-	-	316,966
Exercise of stock options	21,127	138,596	-	(57,134)	-	-	-	-	102,589
Equity shareholders' funds at 31 December 2023	2,736,732	128,187,393	462,185	7,132,288	330,376	14,436,271	(13,332,906)	(124,933,338)	15,019,001
Foreign currency translation	-	-	-	-	-	-	(1,778,186)	-	(1,778,186)
Loss for year	-	-	-	-	-	-	-	(18,234,905)	(18,234,905)
Total comprehensive income for the year	-	-	-	-	-	-	(1,778,186)	(18,234,905)	(20,013,091)
Share-based payments	-	-	-	118,834	-	-	-	-	118,834
Shares issued on public offering financing (Note 14)	624,404	14,201,770	-	-	-	-	-	-	14,826,174
Share issuance costs (note 14)	-	(1,393,580)	-	-	302,406	-	-	-	(1,091,174)
Exercise of stock options	46,473	281,273	-	(125,761)	-	-	-	-	201,985
Exercise of compensation options	5,420	175,088	-	-	(52,694)	-	-	-	127,814
Equity shareholders' funds at 31 December 2024	3,413,029	141,451,944	462,185	7,125,361	580,088	14,436,271	(15,111,092)	(143,168,243)	9,189,543

### Company Statement of Changes in Equity

	Share capital	Share Premium	Reserves				Accumulated deficit	TOTAL
			Convertible note reserve	Share based payments	Other reserves	Warrant reserve		
	\$	\$	\$	\$	\$	\$	\$	
Equity shareholders' funds at 1 January 2023	2,300,486	115,806,259	462,185	5,303,215	11,270,244	66,223	(99,131,799)	36,076,813
Loss for year	-	-	-	-	-	-	(4,113,607)	(4,113,607)
Total comprehensive loss for the year	-	-	-	-	-	-	(4,113,607)	(4,113,607)
Shares issued on public offering financing (note 14)	404,236	13,116,481	-	-	-	-	-	13,520,717
Share issuance costs (note 14)	-	(1,180,026)	-	-	-	264,153	-	(915,873)
Shares issued regarding Caboçal agreement payment (note 14)	10,883	306,083	-	-	-	-	-	316,966
Share-based payments	-	-	-	1,886,207	-	-	-	1,886,207
Exercise of stock options (note 13)	21,127	138,596	-	(57,134)	-	-	-	102,589
Equity shareholders' funds at 31 December 2023	2,736,732	128,187,393	462,185	7,132,288	11,270,244	330,376	(103,245,406)	46,873,812
Loss for year	-	-	-	-	-	-	(29,994,415)	(29,994,415)
Total comprehensive loss for the year	-	-	-	-	-	-	(29,994,415)	(29,994,415)
Shares issued on public offering financing (Note 14)	624,404	14,201,770	-	-	-	-	-	14,826,174
Share issuance costs (Note 14)	-	(1,393,580)	-	-	-	302,406	-	(1,091,174)
Share-based payments	-	-	-	118,834	-	-	-	118,834
Stock options exercises (Note 14)	46,473	281,273	-	(125,761)	-	-	-	201,985
Exercise of compensation options	5,420	175,088	-	-	-	(52,694)	-	127,814
Equity shareholders' funds at 31 December 2024	3,413,029	141,451,944	462,185	7,125,361	11,270,244	580,088	(133,239,821)	31,063,030

**Consolidated Cash Flow Statement**  
*for year ended December 31, 2024*

	<i>Notes</i>	<b>2024</b>	<b>2023</b>
		\$	\$
<b>Cash flows from operating activities</b>			
Net loss for the year		(18,234,905)	(11,985,859)
Items not affecting cash:			
Finance expense		38,607	58,431
Depreciation and amortization expenses	6	194,587	175,216
Gain on sale of property, plant and equipment		-	(23,939)
Share-based payments	13	118,834	1,886,207
Foreign exchange loss (gain)		795,756	(231,166)
Impairment of exploration and evaluation assets	7	4,976,904	-
Change in estimated of provisions	10	13,589	82,690
Impairment reversal on property, plant and equipment		-	(16,120)
Items affecting cash:			
Interest paid		(31,011)	(24,399)
Disbursements related to environmental provision	10	(29,475)	(130,054)
Changes in non-cash working capital items:			
Increase prepaid expenses and other assets		(12,082)	(165,017)
(Decrease) / Increase in trade and other payables		94,774	(58,980)
Decrease in taxes and fees payable	11	(47,109)	(166,186)
<b>Net cash used in operating activities</b>		<b>(12,121,531)</b>	<b>(10,599,176)</b>
<b>Cash flows from investing activities</b>			
Acquisition of exploration and evaluation assets	7	(578,811)	(1,073,535)
Additions to property, plant and equipment and intangibles		(125,495)	(200,474)
Proceeds from sale of property, plant and equipment	6	-	10,301
<b>Net cash used in investing activities</b>		<b>(704,306)</b>	<b>(1,263,708)</b>
<b>Cash flows from financing activities</b>			
Proceeds from public offering financing	14	14,826,174	13,520,717
Share issuance costs related to the public offering financing	14	(1,091,174)	(915,873)
Proceeds from the exercise of stock options		201,985	102,589
Proceeds from the exercise of agent's compensation options		127,814	-
<b>Net cash from financing activities</b>		<b>14,064,799</b>	<b>12,707,433</b>
Net increase in cash and cash equivalents		1,238,962	844,549
Cash and cash equivalents at 1 January		7,095,927	6,174,891
Effect of exchange rate fluctuations on cash held		(624,015)	76,487
<b>Cash and cash equivalents at December 31</b>		<b>7,710,874</b>	<b>7,095,927</b>

**Company Cash Flow Statement**  
for the year ended December 31

	<i>Notes</i>	<b>2024</b>	<b>2023</b>
		\$	\$
<b>Cash flows from operating activities</b>			
Net (loss) / income for the year		(29,994,415)	(4,113,607)
Items not affecting cash:			
Finance income		(891,038)	(531,501)
Foreign exchange loss (gain)		740,911	(171,388)
Share-based payments	13	118,834	1,886,207
Impairment of financial fixed assets		19,340,353	-
Impairment of intercompany loan		7,784,970	-
Changes in non-cash working capital items:			
(Increase) / decrease in prepaid expenses and other assets		29,073	(109,590)
Increase in intercompany loans		(8,669,500)	(4,320,987)
(Decrease) / Increase in tax and fees payable	11	3,591	(137,695)
(Decrease) / Increase in trade payables		149,315	(221,515)
<b>Net cash used in operating activities</b>		<b>(11,387,906)</b>	<b>(7,720,076)</b>
<b>Cash flows used in investing activities</b>			
Intercompany investments, capital contributions		(1,492,715)	(4,313,427)
<b>Net cash used in investing activities</b>		<b>(1,492,715)</b>	<b>(4,313,427)</b>
<b>Cash flows from financing activities</b>			
Proceeds from public offering financing	14	14,826,174	13,520,717
Share issuance costs related to the public offering financing		(1,091,174)	(915,873)
Proceeds from the exercise of stock options		201,985	102,589
Proceeds from the exercise of agent's compensation options		127,814	-
<b>Net cash from financing activities</b>		<b>14,064,799</b>	<b>12,707,433</b>
Net increase in cash and cash equivalents		1,184,178	673,930
Cash and cash equivalents at 1 January		7,011,475	6,110,169
Effect of exchange rate fluctuations on cash held		(740,911)	227,376
<b>Cash and cash equivalents at December 31</b>		<b>7,454,742</b>	<b>7,011,475</b>

## Notes to the Financial Statements

### 1 Accounting policies – Group and parent

Meridian Mining UK Societas (the “Company” or “Meridian”) was formed in Amsterdam, Netherlands on December 16, 2013. Effective August 15, 2017, the Company transferred its official seat from the Netherlands to London, United Kingdom. The Company’s shares are listed on the Toronto Stock Exchange (“TSX”) under the symbol MNO. The Company is currently engaged in the exploration and development of mineral deposits in Brazil, through its subsidiaries, Rio Cabaçal Mineração Ltda (“Rio Cabaçal”) and Meridian Mineração Jaburi S.A. (“Jaburi”). The Company’s head office is located at 8th Floor, 4 More London Riverside, London, SE1 2AU, United Kingdom. The registered number is SE000111.

#### 1.1 Measurement convention

The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value.

#### 1.2 Basis of presentation

The parent and consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006, as applicable to companies reporting under those standards.

As the Company is listed on the TSX, there are additional requirements to report audited consolidated financial statements under the exchange rules prepared under IFRS and audited in accordance with Canadian generally accepted auditing standards. During the year ended December 31, 2024, the difference in standards used caused certain differences in the accounting treatment mainly in the equity section.

The financial statements of the Group and Parent Company are presented in United States dollars, which is the functional currency of the Group and Parent Company. References to “\$”, “US\$” or “dollars” are to United States dollars, references to “C\$” are to Canadian dollars, references to “€” are to Euros, references to “£” are to British pounds, and references to “R\$” are to Brazilian Reals.

#### 1.3 Going concern

These consolidated financial statements have been prepared on a going concern basis which assumes that the Group will be able to realise its assets and discharge its liabilities in the normal course of business as they come due into the foreseeable future. The Group incurred a loss of \$18,234,905 during the year ended December 31, 2024 (December 31, 2023 – loss of \$11,985,858). The Group has a working capital of \$6,051,029 as at December 31, 2024 (December 31, 2023 - \$5,079,419). During the year ended December 31, 2024, the Group incurred negative cash flows from operating activities of \$12,121,531 (December 31, 2023 - \$10,599,176), and positive cash flow from financing activities of \$14,064,799 (December 31, 2023 - \$12,707,433). See note 25.

To continue as a going concern, the Company will need to secure new funding. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration successes. There can be no assurance that these initiatives will be successful, or sufficient financing will be available. These material uncertainties cast significant doubt as to the ability of the Company to meet its business plan and obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. This is consistent with the auditor’s report, where a material uncertainty related to going concern has been noted.

These consolidated financial statements do not include adjustments to the recoverability and classifications of recorded assets and classification of liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

#### 1.4 Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities and expenses of the Company's subsidiaries. Subsidiaries are all entities controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. All intercompany balances, transactions, income, expenses, profits, and losses, including unrealised gains and losses have been eliminated on consolidation.

During the year ended December 31, 2024, the Company incorporated a new entity, Rio Cabaçal Participações S.A. ("RCP"). The Company has 49% of the voting rights and 100% rights to its variable returns. The legal ownership of Rio Cabaçal Mineração Ltda ("RCM") was transferred to RCP. Although the Company has 49% of the voting rights in RCP, the Company determined that it has the full beneficial interest over the entity as the Company has the rights of variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Therefore the Company has consolidated 100% of RCP.

These consolidated financial statements include the following entities as December 31, 2024:

Name of subsidiary	Incorporated	Registered office address	Activity	Interest <sup>(1)</sup>	Functional Currency
Rio Cabaçal Internacional Ltda ("Rio Cabaçal Internacional")	Brazil	Rua Comandante da Costa, 1519, andar 2, sala 3, Cuiabá, MT, Brazil	Investment	100%	R\$
Rio Cabaçal Participações S.A.	Brazil	Rua Comandante Costa, 1519, andar 2, sala 8, Cuiabá, MT, Brazil	Investment	49%	R\$
Rio Cabaçal Mineração Ltda	Brazil	Avenida Dr. Guilherme Pinto Cardoso, 851-B, São José dos Quatro Marcos, MT, Brazil	Exploration	49%	R\$
Cancana Resources Corp ("Cancana")	Canada	1055 West Hastings St, Suite 1700, Vancouver, BC, Canada	Investment	100%	C\$
Meridian Mineração Jaburi S.A. ("Jaburi")	Brazil	Rua Alagoas, 2274, Espigão do Oeste, RO, Brazil	Exploration	100%	R\$

<sup>(1)</sup> Percentage related to the voting shares.

Accounting policies of subsidiaries are updated where necessary to ensure consistency with the policies adopted by the consolidated group. Acquisitions of subsidiaries under common control before and after the transaction are recorded at historical carrying value. Subsidiaries under common control are consolidated from the date of acquisition by the ultimate controlling entity.

#### 1.5 Foreign currency

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The presentation currency of these consolidated financial statements is the United States dollar, which is also the functional currency of the Group and the Parent Company.

Transactions in foreign currencies are translated to the functional currency of the entity at the exchange rate in existence at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the period end date exchange rates.

The results and financial position of entities in the group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate of the period reported;
- Income and expenses for each statement of loss and comprehensive loss presented are translated at average exchange rates; and
- All resulting exchange differences are recognised in accumulated other comprehensive loss which is included in the reserves on the consolidated Statement of Financial Position.

## 1.6 Classification of financial instruments issued by the Group

### Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (FVTOCI), or at amortised cost. The determination of the classification of financial assets is made at initial recognition.

The Group’s accounting policy for each of the categories is as follows:

**Financial assets at FVTPL:** Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of income (loss) and other comprehensive income (loss) (“Statements of Income (Loss)”). Realised and unrealised gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the Statements of Income (Loss) in the period.

**Financial assets at FVTOCI:** Financial assets carried at FVTOCI are recorded at fair value and transaction costs are expensed in the Statements Income (Loss). Realised and unrealised gains and losses arising from changes in fair value of the financial assets held at FVTOCI are included in other comprehensive income (loss) in the period.

**Financial assets at amortised cost:** A financial asset is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset’s contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognised at fair value and subsequently carried at amortised cost less any impairment.

#### *Impairment of financial assets at amortised cost:*

Financial assets carried at amortised cost are assessed at each reporting date for any potential impairment. The Company uses the expected credit loss (“ECL”) model for calculating impairment and recognises expected credit losses as a loss allowance for assets measured at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12 month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

The amount of the loss is measured as the difference between the carrying amount and the present value of the estimated future cash flows discounted using the original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment and the impairment loss is recognised in the Statements of Income (Loss) and Other Comprehensive Income (“Statements of Income (Loss)”).

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the Statements of Income (Loss).

The following table shows the classification of the Group’s financial assets:

Financial asset	Classification
Cash	Amortised cost

### Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Group’s accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognised in the Statements of Loss.

Amortised Cost - This category includes accounts payable and accrued liabilities, and loans payable, all of which are recognised at amortised cost using the effective interest method.

Transaction costs in respect of financial instruments at fair value through profit or loss or other comprehensive income are recognised in the Statements of Loss immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

The following table shows the classification of the Group's financial liabilities:

Financial liability	Classification
Trade payables	Amortised cost

### **1.7 Earnings Per Share ("EPS")**

Basic EPS is calculated using the weighted average number of shares outstanding during the year.

Diluted EPS is calculated using the treasury stock method for determining the dilutive effect of outstanding financial instruments issued under the Company's various stock-based compensation plans. Under this method, the conversion of dilutive financial instruments and related issue of shares is assumed at the beginning of the period (or at the time of award, if later). The proceeds from the conversion or exercise of dilutive financial instruments plus future period compensation expenses are assumed to be used to purchase common shares at the average market price during the period, and the incremental number of shares (the difference between the number of shares assumed issued and assumed purchased) is included in the denominator of the diluted EPS computation.

### **1.8 Cash**

Cash includes cash that is readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

### **1.9 Exploration and evaluation assets**

Pre-exploration costs are expensed as incurred. Costs directly related to the acquisition of exploration and evaluation assets are capitalised provided that the legal rights to explore the mineral properties are acquired or obtained. Exploration and evaluation expenditures are subsequently expensed as incurred. When the technical feasibility and commercial viability of a mineral resource have been demonstrated and a development decision by the Board has been made, the capitalised costs of the related property are transferred to mining development costs and any subsequent expenditures are capitalised as mine development costs.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

The Company assesses whether there is any indication of impairment. Indicators of impairment include, but are not limited to:

- The right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In circumstances where indicators of impairment exist, an impairment test is required to determine if the carrying amount of the exploration and evaluation asset exceeds its estimated recoverable amount.

The estimated recoverable amount is the greater of fair value less costs of disposal (“FVLCD”), and value in use (“VIU”). If the exploration and evaluation asset is determined to be impaired, the exploration and evaluation asset is written down to the estimated recoverable amount.

#### **1.10 Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, labour and other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

Property, plant and equipment is depreciated on a straight-line basis.

Vehicles	5 years
Machinery and Equipment	10 years
Office furniture, communication and computer equipment	10 years
Buildings	10 years

Depreciation commences when the asset is available for its intended use. The residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with carrying amounts.

#### **1.11 Impairment and reversal of non-financial assets**

The carrying value of the Group's exploration and evaluation expenditures is assessed for impairment when indicators of such impairment exist. Indicators may include the loss of the right to explore in the area; the Group deciding not to continue exploring or incur substantial additional expenditures on the project; or it is determined that the carrying amount of the project is unlikely to be recovered by its development or sale. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated to determine the extent of the impairment loss, if any. The recoverable amount is determined as the higher of the fair value less costs of disposal for the asset and the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Impairment is determined on an asset by asset basis, whenever possible. If it is not possible to determine impairment on an individual asset basis, then impairment is considered on the basis of a cash generating unit (“CGU”). CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or other group of assets.

If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired, and an impairment loss is charged immediately to comprehensive loss within the consolidated statements of operations and comprehensive loss so as to reduce the carrying amount to its recoverable amount.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statements of Loss.

## **1.12 Provisions**

### *General*

Provisions for legal claims and constructive obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance expense.

### *Environmental provisions*

Mining, processing, development and exploration activities are subject to various laws and regulations governing the protection of the environment. An environmental provision is recognised in the period when a legal or constructive obligation originates. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability where the impact of discounting is material. Where appropriate, the provision is accreted over time to its expected future settlement value.

Environmental provisions are reviewed at every reporting period. The liability is adjusted for changes in estimates in costs and timing of work to be performed. Changes in the discount rate and inflation rates are recognised each reporting period, with the changes recognised as additions to or reductions from the liability and a corresponding addition to or reduction from profit and loss where the changes relate to closed mine sites. Changes in estimates of environmental provisions also include changes due to movement in the exchange rates. Any reduction to the asset may not exceed the carrying value of that asset.

### **Share-based payments**

The Company grants stock options to directors, officers, employees and non-employees. Share-based compensation costs are measured based on the grant date fair value of the equity-settled instruments and recognised upon grant date over the related service period in the consolidated Statements of Loss and credited share-based payment reserve within shareholders' equity.

The grant date fair value is based on the underlying market price of the common shares of the Company taking into account the terms and conditions upon which those equity-settled instruments were granted. The fair value of equity-settled instruments granted is estimated using the Black-Scholes model or other appropriate method and assumptions at grant date. Equity-settled awards are not re-measured subsequent to the initial grant date.

Determination of the grant date fair value requires management estimation of the volatility required to determine the weighted average expected life. Share option expense incorporates an expected forfeiture rate which is estimated based on historical forfeiture rates and expectations of future forfeiture rates. The Company makes adjustments if the actual forfeiture rate differs from the expected rate.

The weighted average grant date fair value is the basis for which share-based compensation is recognised in the Statements of Loss.

When the stock options are exercised, the applicable amounts of equity reserves are transferred to share capital.

## **1.13 Current and deferred income taxes**

Income tax expense comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered the deferred tax asset is not set up.

In assessing the probability of realising income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognised. At the end of each reporting period, the Company reassesses unrecognised income tax assets.

#### **1.14 Investment in subsidiaries**

Investments in subsidiaries are initially recorded at cost. The carrying values of fixed financial assets are subject to review for impairment at least at each reporting date. Fixed financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets. The process undertaken to review impairment in the year ended December 31, 2024 comprised of the calculation of enterprise value less costs of disposal.

#### **1.15 Recent accounting pronouncements adopted**

On January 1, 2024, the Group adopted amendments to IFRS 16 “Leases” (“IFRS 16”) which add subsequent measurement requirements for sale and leaseback transactions, particularly those with variable lease payments. The amendments require the seller-lessee to subsequently measure lease liabilities in a way such that it does not recognise any gain or loss relating to the right of use it retains. The amendments did not have an impact on the Company’s financial statements on the date of adoption.

On January 1, 2024, the Group adopted amendments to IAS 7 “Statement of Cash Flows” (“IAS 7”) requiring entities to provide qualitative and quantitative information about their supplier finance arrangements. In connection with the amendments to IAS 7, the IASB also issued amendments to IFRS 7 “Financial Instruments: Disclosures” (“IFRS 7”) requiring entities to disclose whether they have accessed, or have access to, supplier finance arrangements that would provide the entity with extended payment terms or the suppliers with early payment terms. The amendments did not have an impact on the Company’s financial statements on the date of adoption.

#### **1.16 Recent accounting pronouncements issued not yet effective**

On August 15, 2023, the IASB issued amendments to IAS 21 “The Effects of Changes in Foreign Exchange” (“IAS 21”) to specify how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not exchangeable. The amendments specify that a currency is exchangeable when it can be exchanged through market or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and the specified purpose. For non-exchangeable currencies, an entity is required to estimate the spot exchange rate as the rate that would have applied to an orderly exchange transaction between market participants at the measurement date under prevailing economic conditions. The amendments are effective on January 1, 2025 and are not expected to have an impact on the Company’s financial statements.

On April 9, 2024, the IASB issued IFRS 18 “Presentation and Disclosure in the Financial Statements” (“IFRS 18”) replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that

entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 “Earnings per Share” were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Group is currently assessing the impact of the standard on its financial statements.

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). The key changes included clarification on the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to financial liabilities settled through electronic payment system, including an option to utilise an accounting policy for early derecognition. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance (“ESG”) linked features and other similar contingent features. The IASB also added disclosure requirements to provide additional transparency regarding equity investments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments are effective for annual periods beginning on or after January 1, 2026 with early application permitted. The Group is currently assessing the impact of the standard on its financial statements.

## 2 Significant accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments and estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Certain estimates and judgments, such as those related to the evaluation of indicators of impairment for exploration and evaluation assets, deferred tax assets and liabilities, and disclosure of contingencies depend on subjective or complex judgments about matters that may be uncertain. Changes in those estimates could materially impact these consolidated financial statements.

### Provisions and recognition of a liability for loss contingencies

#### *Judgements*

Judgments are required to determine if a present obligation exists at the end of the reporting period by considering all available evidence. The most significant provisions that require judgment to determine if a present obligation exists are contingent losses related to claims and asset retirement obligation. This includes an assessment of how to account for obligations based on the most recent closure plans and environmental regulations.

#### *Key sources of estimation uncertainty*

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation and is measured using the present value of cash flows estimated to settle the present obligation.

### Income taxes

#### *Judgements*

The Group’s operations involve judgments in the application of complex tax regulations in multiple jurisdictions. The final taxes paid are dependent upon many factors, including negotiations with tax authorities in various jurisdictions and resolution of disputes arising from tax audits.

*Key sources of estimation uncertainty*

The Group recognises potential liabilities and records tax liabilities for anticipated tax audit issues based on its estimate of whether, and the extent to which, additional taxes will be due. The Group adjusts these reserves in light of changing facts and circumstances; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the Company's current estimate of the tax liabilities. If the Group's estimate of tax liabilities proves to be less than the ultimate assessment, an additional charge to expense would result. If the estimate of tax liabilities proves to be greater than the ultimate assessment, a tax benefit would result.

**Evaluation of indicators of impairment for exploration and evaluation assets**

*Judgments*

The Group applies significant judgment in assessing at each reporting period whether there is an indication that the carrying value of exploration and evaluation assets may be greater than or less than the carrying amount. Management assesses internal and external actors to evaluate whether indicators of impairment or impairment reversal exist that necessitate impairment testing.

**Recoverability of intercompany investments and receivables**

*Judgments*

The Company applies significant judgment in assessing at each reporting period the recoverability of the amounts invested into subsidiary companies by way of share capital or loans advanced to subsidiaries. Management assesses internal and external actors to evaluate whether indicators of impairment or impairment reversal exist that necessitate impairment testing and estimates the expected future cash flows that might be generated by the underlying projects owned and operated by these subsidiaries and the potential value of exploration and development projects owned and managed by these subsidiaries.

**3 Expenses and auditors' remuneration**

*Group exploration and evaluation expenses included in the loss is comprised of the following:*

	2024	2023
	\$	\$
Assays	1,594,171	955,687
Consulting – geological and other	1,243,971	733,638
Drilling	2,808,761	2,013,207
Equipment and Vehicle expenses	674,762	558,704
Environmental studies	154,838	282,682
Fees and licenses	56,447	49,714
Field expenditures and road construction	510,941	424,483
Payroll	1,289,172	1,305,552
Room and boarding	298,757	263,700
Other	90,757	38,961
<b>Total</b>	<b>8,722,577</b>	<b>6,626,328</b>

Group general and administrative expenses included in the loss is comprised of the following:

	2024	2023
	\$	\$
Consulting	136,266	40,455
Investor relations and shareholder communication	298,967	245,869
Insurance	125,119	123,914
Management and director fees	1,365,453	1,176,657
Office and miscellaneous	147,431	168,861
Payroll	501,458	527,636
Rent	80,109	74,016
Subscriptions and licenses	8,840	8,252
Telephone and information technology	69,584	57,120
Travel	203,512	193,789
Other	40,606	101,419
<b>Total</b>	<b>2,977,345</b>	<b>2,717,988</b>

Auditor's remuneration:

	2024	2023
	\$	\$
Audit of these financial statements		
Amounts receivable by the company's auditors in respect of:		
Auditor of Group and Company Financial Statements – PKF Littlejohn LLC	74,463	54,897
Auditor of Group Financial Statements – KPMG Canada <sup>(1)</sup>	191,628	315,556
	<b>266,091</b>	<b>370,453</b>

<sup>(1)</sup> During the year ended December 31, 2024, it includes the fees related to the review of the interim consolidated financial statements of June 30, 2024 and September 30, 2024. During the year ended December 31, 2023, it includes the fees related to the review of the interim consolidated financial statements of June 30, 2023 and September 30, 2023 and fees in connection to the filings of the short form prospectus.

#### 4 Staff numbers and costs

The average number of persons employed by the Group (including directors and officers at the subsidiary level) during the year, analysed by category, was as follows:

Group	Number of employees	
	2024	2023
Employees	67	64
Management and Directors – Company	10	10
Management and Directors – Subsidiaries	3	3
	<b>80</b>	<b>77</b>

The aggregate payroll costs of these persons were as follows:

Group	2024	2023
	\$	\$
Wages, salaries, management and directors' fees	2,911,498	2,793,181
Share based payment	-	1,154,720
Social security costs	262,812	268,549
Expenses related to employee benefits	162,568	147,004
	<b>3,336,878</b>	<b>4,363,454</b>

### Directors' remuneration

Company	2024	2023
	\$	\$
Management and directors' fees earned by Directors	709,604	778,263

The following table provides information regarding compensation paid to the Company's directors and details regarding the highest paid director during the financial period ended December 31, 2024:

Name	Fees earned \$	Share-based awards \$	Option-based Awards \$	Non-equity incentive plan compensation \$	Pension Value \$	All Other Compensation \$	Total \$
Dr. Adrian McArthur	260,053	N/A	-	N/A	N/A	Nil	260,053
Gilbert Clark	328,075	N/A	-	N/A	N/A	Nil	328,075
John Skinner	21,853	N/A	-	N/A	N/A	Nil	21,853
Susanne Sesselmann	21,854	N/A	-	N/A	N/A	Nil	21,854
Douglas E. Ford	21,964	N/A	-	N/A	N/A	Nil	21,964
Neil Gregson	23,319	N/A	-	N/A	N/A	Nil	23,319
Bruce McLeod	32,486	N/A	-	N/A	N/A	Nil	32,486
<b>Total</b>	<b>709,604</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>709,604</b>

## 5 Taxation

### Reconciliation of effective tax rate

	Group 2024	2023
	\$	\$
Loss for the year	(18,234,905)	(11,985,859)
Total tax expense (recovery)	-	-
Loss excluding taxation	(18,234,905)	(11,985,859)
Statutory corporation tax rate of 25% (2023: 23.5%)	(4,558,726)	(2,816,677)
Foreign tax rate differential	(2,619,000)	(759,000)
Statutory permanent differences	1,702,000	848,000
Impact of future income tax rates	(1,753,000)	-
Adjustment to prior years provision versus tax returns	(234,000)	-
Losses and deductible temporary differences not recognised	3,621,000	2,731,677
Impact of foreign exchange	3,841,726	(4,000)
Total tax expense	-	-

The significant components of deferred tax assets and liabilities as at year-end are as follows:

	Group December 31, 2024	2023
	\$	\$
Exploration and evaluation assets	-	(122,000)
Losses carried forward	-	122,000
Net deferred tax assets (liabilities)	-	-

The significant components of the Group's deductible temporary differences, and unused tax losses that have not been recognised on the statement of financial position, as there is no expectation that the Group will generate taxable income on a continuing basis in the foreseeable future, are as follows:

	Group December 31, 2024	2023
	\$	\$
Temporary differences:		
Environmental provision	13,000	55,000
Loss carry forwards	79,683,000	73,390,000
Provisions	632,000	806,000
Property, plant and equipment	883,000	1,440,000
Tax credits	603,000	768,000

Losses carried forward consist of Canadian tax losses of \$3,241,000, which expire between 2036 and 2044, United Kingdom loss of \$32,482,000 which have no expiry date and Brazilian tax losses of \$43,960,000, which have no expiry date, however only 30% of the taxable income in one year can be applied against the loss carry-forwarded balance. The ability of the Company to access unrecognised tax losses and other deductions in Canada has been restricted as a result of the 2016 acquisition of control of Cancana. Tax attributes are subject to review, and potential adjustment, by tax authorities.

#### 6 Property, plant and equipment – Group

	Land	Vehicles, machinery, and equipment	Office furniture and other	Total
Cost:	\$	\$	\$	\$
Balance, January 1, 2023	71,396	920,009	131,372	1,122,777
Additions	-	110,698	23,949	134,647
Disposals	-	-	(63,134)	(63,134)
Impairment reversal	-	-	63,134	63,134
Foreign currency adjustment	6,393	85,550	12,448	104,391
Balance, December 31, 2023	77,789	1,116,257	167,769	1,361,815
Additions	-	26,677	18,324	45,001
Foreign currency adjustment	(16,760)	(244,012)	(38,560)	(299,332)
Balance, December 31, 2024	61,029	898,922	147,533	1,107,484

	Land	Vehicles, machinery, and equipment	Office furniture and other	Total
Accumulated depreciation:	\$	\$	\$	\$
Balance, January 1, 2023	-	(224,482)	(80,495)	(304,977)
Depreciation expense	-	(98,431)	(13,357)	(111,788)
Disposals	-	-	47,014	47,014
Impairment reversal	-	-	(47,014)	(47,014)
Foreign currency adjustment	-	(22,916)	(7,587)	(30,503)
Balance, December 31, 2023	-	(345,829)	(101,439)	(447,268)
Depreciation expense	-	(101,648)	(16,773)	(118,421)
Foreign currency adjustment	-	87,921	24,065	111,986
Balance, December 31, 2024	-	(359,556)	(94,147)	(453,703)

	Land	Vehicles, machinery, and equipment	Office furniture and other	Total
Net book value:	\$	\$	\$	\$
December 31, 2023	77,789	770,428	66,330	914,547
December 31, 2024	61,029	539,366	53,386	653,781

## 7 Exploration and evaluation assets

Summary of Group's exploration and evaluation assets:

	Espigão project		Cabaçal project		Total
<b>Balance as at January 1, 2023</b>	\$	5,806,507	\$	2,214,127	\$ 8,020,634
Additions:					
Option agreement		-		316,966	316,966
Foreign currency adjustment		511,668		170,233	681,901
<b>Balance as at December 31, 2023</b>	\$	6,318,175	\$	2,701,326	\$ 9,019,501
Additions:					
Option agreement		-		250,000	250,000
New areas		-		4,550	4,550
Impairment		(4,976,904)		-	(4,976,904)
Foreign currency adjustment		(1,341,270)		(508,311)	(1,849,581)
<b>Balance as at December 31, 2024</b>	\$	1	\$	2,447,565	\$ 2,447,566

### *Cabaçal Project, Mato Grosso*

#### (a) Overview of Purchase Agreement

On November 6, 2020, the Company entered into a Purchase Agreement with two private Brazilian companies (the "Vendors"), to acquire the rights to the Cabaçal Copper-Gold Project in the state of Mato Grosso, Brazil, (the "Cabaçal Agreement"). On October 5, 2021, the Company assigned the Cabaçal Agreement to its Brazilian subsidiary, Rio Cabaçal Mineração Ltda. The Cabaçal Agreement contemplated that payments can be withheld by the Company in an Indemnification Escrow Fund (the "Escrow Fund") to guarantee the payment of any losses in connection with certain of the Vendors' obligations. At the Company's discretion, the Escrow Fund balance can be used to pay certain Vendors' obligations.

Under the terms of the Cabaçal Agreement, the Company is required to make staged payments based on milestones achieved below. The Company has determined the Cabaçal Agreement to be an executory contract based on the assessment of its provisions. As a result, as milestones are achieved the respective staged payments are triggered. The measurement of staged payments will be determined at the trigger date and will be capitalised to exploration and evaluation assets as they are deemed to be acquisition related costs.

#### Amounts triggered and paid as at December 31, 2024:

- First instalment payment: \$25,000 payable within 5 days of the execution of the option agreement (paid);
- Second instalment payment: \$275,000 payable by October 15, 2021, as the transfers of the mineral rights to Rio Cabaçal were filed with the Agência Nacional de Mineração ("ANM"; Brazil's national mining agency) (paid);
- Third instalment payment: \$1,750,000 payable on August 1, 2023, unless accelerated upon completion of an equity financing for gross proceeds of at least \$2,500,000, provided completion of a successful drill program and historical geophysics database validation, as well as obtaining certain permits and the access to the surface rights overlapping with the Cabaçal mineral rights. The Company has paid \$1,647,717; and
- Fourth instalment payment: 1,000,000 common shares in the capital of the Company or C\$300,000, at the option of the Vendors, within 6 months of the third payment and subject to completion of a technical report on the estimate of the resource in accordance with National Instrument 43-101, whichever occurs later (paid in common shares).

#### Amounts not yet triggered:

- Fifth instalment payment: \$1,850,000 plus, at the option of the Vendors, 1,500,000 common shares in the capital of the Company or C\$450,000, within 9 months of the fourth payment and subject to the successful completion of the positive economic feasibility study. On January 4, 2024, the Company amended the terms of this fifth instalment where the payment will be made by September 30, 2025, but is subject to the successful completion of the positive economic feasibility study. The amended terms required the Company to advance a total of \$250,000, divided in monthly instalments, from April 2025 to June 2025, to be deducted from the total amount of the fifth payment. The advance of \$250,000 became payable upon amendment of the Cabaçal Agreement. See

- note 21;
- Sixth instalment payment: \$2,250,000 payable plus, at the option of the Vendors, 2,000,000 common shares in the capital of the Company or C\$600,000, up to 30 days after the Installation License (“LI”) of the Cabaçal plant is issued by the competent authorities; and
  - Seventh instalment payment: \$2,600,000 payable within 45 days after the signature by the Company of the definitive financing contracts for the construction of the Cabaçal plant.

(b) Cabaçal Agreement payments

During the year ended December 31, 2024, the Company made payments of \$574,182 on behalf of the Vendors that have been deducted from the third payment amount. As at December 31, 2024, the following remaining balances continue to be recognised in accounts payable and accrued liabilities:

- Third instalment - \$102,283
- Fifth instalment - \$250,000

*Espigão project, Rondônia, Brazil*

As at December 31, 2024, the Company identified an indicator of impairment of the exploration and evaluation assets related to the Espigão project, as the Company will no longer allocate resources for substantive expenditures on further exploration, including an initial drilling program to further evaluate the Iron Oxide Copper Gold potential at the Espigão project.

The Company determined the recoverable amount of the Espigão project using the fair value less costs of disposal (“FVLCD”) approach. As there are no estimated mineral resources for the Espigão project, the Company concluded the recoverable amount was nominal. As a result, the Company recognised an impairment of \$4,976,904 in the consolidated statements of loss and comprehensive loss for the year ended December 31, 2024.

**8 Prepaid expenses and other assets**

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Current:</b>				
Tax recovery	24,000	24,000	24,000	24,000
Prepaid expenses and advances	358,628	361,818	194,457	223,530
<b>Total</b>	<b>382,628</b>	<b>385,818</b>	<b>218,457</b>	<b>247,530</b>

The Group is required to pay certain taxes in Brazil that are based on purchases of consumables and property, plant and equipment. These taxes are recoverable from the Brazilian tax authorities through various methods, including as a cash refund or as a credit against current taxes payable.

**9 Trade and other payables**

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Trade and other payables	971,629	877,367	314,905	196,337
Option agreement – Cabaçal project (note 7)	352,283	676,465	-	-
Payroll liabilities	228,008	252,503	-	-
Other liabilities	78,761	48,0145	78,761	48,014
<b>Total</b>	<b>1,630,681</b>	<b>1,854,349</b>	<b>393,666</b>	<b>244,351</b>

## 10 Provisions - Group

	Environmental provision (i) \$	Other provisions (ii) \$	Total \$
<b>Balance, January 1, 2023</b>	168,013	243,493	411,506
Spent during the year	(130,054)	-	(130,054)
Accretion	11,045	-	11,045
Additions (reversals) during the year	(5,801)	61,732	55,931
Foreign currency adjustment	11,479	23,569	35,048
<b>Balance, December 31, 2023</b>	54,682	328,794	383,476
Spent during the year	(29,475)	-	(29,475)
Accretion	2,180	-	2,180
Additions (reversals) during the year	(7,233)	13,589	6,356
Foreign currency adjustment	(7,242)	(72,630)	(79,872)
<b>Balance, December 31, 2024</b>	12,912	269,753	282,665
Represented by:			
<b>December 31, 2023</b>			
Long-term portion	20,146	-	20,146
Current portion	34,536	328,794	363,330
<b>December 31, 2024</b>			
Long-term portion	-	-	-
Current portion	12,912	269,753	282,665

(i) *Environmental provision*

Pursuant to Jaburi's operations in Brazil, the Company is required to rehabilitate its plant and colluvial mining sites, as well as remove all plant and equipment. A provision has been recognised for the requirements to rehabilitate these sites environmentally and decommission the plant and equipment. Environmental liabilities related to decommissioning the plants and rehabilitation of the colluvial mining sites are recorded at the present value of the estimated costs, assuming nominal risk-free discount rate of 12.50% and are expected to be incurred up to the end of 2025.

(ii) *Other provisions*

Various legal and regulatory matters are outstanding from time to time due to the nature of the Company's operations. In the event that management's estimate of the future resolution of these matters changes, the Company will recognise the effects of the changes in its consolidated financial statements on the date such charges occur. As at December 31, 2024, the Company has recognised a provision of \$269,753 (December 31, 2023 - \$328,794) representing management's best estimates of expenditures required to settle present obligations. The ultimate outcome or actual cost of settlement may vary materially from management estimates due to the inherent uncertainty regarding the Company's estimates.

## 11 Taxes and fees payable

	Group		Company	
	December 31, 2024 \$	December 31, 2023 \$	December 31, 2024 \$	December 31, 2023 \$
Current:				
Taxes and fees payable (i)	8,242	58,406	-	-
Withholding taxes and other taxes related to debt restructuring (ii)	58,570	58,650	14,963	11,372
Other	62,315	67,591	-	-
	<b>129,127</b>	<b>184,647</b>	<b>14,963</b>	<b>11,372</b>
Non-Current:				
Taxes and fees payable (i)	-	9,735	-	-
<b>Total</b>	<b>129,127</b>	<b>194,382</b>	<b>14,963</b>	<b>11,372</b>

(i) *Restructuring of Brazilian taxes and fees liabilities*

During the year ended December 31, 2020, the Company enrolled in an instalment payment program on certain unpaid taxes and fees related to the year ended December 31, 2019. Under the program, the Company will pay the outstanding taxes and fees, plus accrued penalties, and interests, in equal instalments over a period of 60 months.

As at December 31, 2024, the total balance of the Brazilian social security taxes payable was \$8,242 (December 31 2023 - \$68,141) that will be repaid in equal monthly instalments over 2 months, adjusted for inflation. As a result, the Company classified as long-term liabilities the amount of \$nil (December 31, 2023 - \$9,735).

## 12 Earnings per share

The following table sets forth the computation of basic and diluted loss per share:

	Year ended December 31,	
	2024	2023
<b>Numerator</b>		
Loss for the year	\$ (18,234,905)	\$ (11,985,859)
Effect of dilutive securities	-	-
	\$ (18,234,905)	\$ (11,985,859)
<b>Denominator</b>		
For basic – weighted average number of shares outstanding	285,680,620	228,902,663
Effect of dilutive securities	-	-
For diluted – adjusted weighted average number of the shares outstanding	285,680,620	228,902,663
<b>Loss Per Share</b>		
Basic	\$ (0.06)	\$ (0.05)
Diluted	\$ (0.06)	\$ (0.05)

For the year ended December 31, 2024, 1,248,016 stock options (December 31, 2023 – 5,600,700) and 2,101,628 agent's compensation options (December 31, 2023 – 501,004) were not included in the calculation of diluted earnings per share as the Company was in a loss position and thus any impact would be anti-dilutive.

## 13 Reserves - Stock Options

Stock option transactions are summarised as follows:

	Stock Options	
	Number	Weighted Average Exercise Price
Outstanding December 1, 2022	14,830,285	C\$ 0.50
Granted	10,390,136	0.49
Expired/cancelled	(1,738,371)	0.71
Exercised (i)	(1,938,947)	0.07
Outstanding December 31, 2023	21,543,103	C\$ 0.65
Granted	780,000	0.47
Expired/cancelled	(765,870)	0.58
Exercised (i)	(4,267,926)	0.07
Outstanding December 31, 2024	17,289,307	C\$ 0.61

(i) During the year ended December 31, 2024, the weighted average share price at the date of the stock option exercise was C\$0.428 (2023 – C\$0.435)

As at December 31, 2024, the following incentive stock options, and agent's compensation options were outstanding:

	Number of Shares	Exercise Price (C\$)	Expiry Date	Remaining Contractual Life (years)
<b>Stock options</b>	248,016	0.10	June 2, 2025	0.42
	2,515,000	0.45	February 26, 2026	1.16
	600,000	0.46	April 29, 2026	1.33
	3,615,155	1.10	October 27, 2026	1.82
	100,000	1.10	February 6, 2027	2.10
	75,000	1.10	February 24, 2027	2.15
	390,000	0.95	May 17, 2027	2.38
	2,676,500	0.50	January 25, 2028	3.07
	695,000	0.50	July 26, 2028	3.57
	950,000	0.50	October 11, 2028	3.78
	1,000,000	0.35	October 27, 2028	3.82
	4,244,636	0.50	November 28, 2028	3.91
	180,000	0.50	February 28, 2029	4.16
<b>Agent's compensation options</b>	1,677,000 <sup>(1)</sup>	0.50	May 2, 2025	0.33
	2,101,628 <sup>(2)</sup>	0.35	April 9, 2026	1.32

<sup>(1)</sup> Issued in connection with the public offering closed on May 2, 2023.

<sup>(2)</sup> Issued in connection with the public offering closed on April 9, 2024.

Total share-based payments expense recognised in the Statements of Loss for the year ended December 31, 2024 was \$118,834 (2023 - \$1,886,207) for incentive options granted and vested, as follows:

- 600,000 stock options granted to a consultant of the Company with an exercise price of C\$0.46 per common share for a term of two years, until April 29, 2026.
- 180,000 stock options granted to a consultant of the Company with an exercise price of C\$0.50 per common share for a term of five years, until February 28, 2029.

During the year ended December 31, 2023, total share-based payments expense recognised in the Statements of Loss was \$1,886,207 related to 10,390,136 stock options granted to directors, officers, employees, advisors, and consultants of the Company that vested immediately with an exercise price ranging from C\$0.35 to C\$0.50 per common share for a term of five years.

The following assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted during the years ended on December 31, 2024 and December 31, 2023:

	Options granted in 2024	Options granted in 2023
Risk-free interest rate	3.60% - 3.81%	2.88% - 4.15%
Expected life of options	2 - 5 years	5 years
Expected annualised volatility	78.55% - 83.24%	83.26% - 85.04%
Dividend yield	0.0%	0.0%
Forfeiture rate	0.0%	0.0%

The expected volatility used in the Black-Scholes option pricing model is based primarily on the historical volatility of the comparable companies.

## 14 Capital and reserves

	Number of Shares	Share capital \$	Share premium \$
<b>Balance at December 31, 2022</b>	<b>202,833,761</b>	<b>2,300,486</b>	<b>115,806,259</b>
Shares issued on private placement	36,800,000	404,236	13,116,481
Shares issued regarding Cabaçal agreement payment	1,000,000	10,883	306,083
Share issuance costs	-	-	(1,180,026)
Exercise of stock options	1,938,947	21,127	138,596
<b>Balance at December 31, 2023</b>	<b>242,572,708</b>	<b>2,736,732</b>	<b>128,187,393</b>
Shares issued on public offering financing	57,500,000	624,404	14,201,770
Share issuance costs	-	-	(1,393,580)
Exercise of stock options	4,267,926	46,473	281,273
Exercise Compensation options	500,253	5,420	175,088
<b>Balance at December 31, 2024</b>	<b>304,840,887</b>	<b>3,413,029</b>	<b>141,451,944</b>

### Authorised Capital

As at December 31, 2024 the Company had authorised unlimited number of common shares with a par value of €0.01.

### Issued Capital

The Company has 304,840,887 (December 31, 2023 - 242,572,708) issued and fully paid common shares.

### Share capital

Share capital comprises the amount subscribed for at the par value.

### Share premium

Share premium comprises the amount subscribed for share capital in excess of par value.

### Shares issued

During the year ended December 31, 2024, the Company issued:

- 57,500,000 common shares for aggregate gross proceeds of \$14,826,174 at a subscription price of C\$0.35 per common share;
- 3,964,897 common shares for cash proceeds of \$201,985 pursuant to the exercise of stock options at the exercise price of C\$0.07;
- 303,029 common shares related to the exercise on a cashless basis (net exercise) of 365,415 share purchase stock options, in accordance with the Company's omnibus plan; and
- 500,253 common shares for cash proceeds of \$127,814 pursuant to the agent's compensation options at the exercise price of C\$0.35.

On April 9, 2024, the Company closed a bought deal offering through the issuance of 57,500,000 common shares at a subscription price of C\$0.35 per common share, for aggregate gross proceeds to the Company of \$14,826,174 (C\$20,125,000). The Company paid agent's cash commission totalling \$561,170 (C\$761,535) and issued 2,101,628 agent's compensation options, with a grant date fair value of \$302,406 (C\$410,565). Each agent's compensation option is exercisable for one common share at an exercise price of C\$0.35, expiring April 9, 2026. The grant date fair value of the agent's compensation option was determined using Black-Scholes pricing model. The assumptions used to calculate the fair value of the agent's compensation options were: an expected life of 2 years; annualised volatility of 78.08%; a risk free interest rate of 3.59%; and zero expected dividend yield. The Company incurred other share

issuance costs of \$530,004 on this offering. Total transactions costs incurred and allocated to share premium was \$1,393,580.

During the year ended December 31, 2023, the Company issued:

- 36,800,000 common shares for aggregate gross proceeds of \$13,520,717 at a subscription price of C\$0.50 per common share.
- 1,000,000 common shares issued as payment of the fourth instalment of the Cabaçal Agreement (Note 5 (b)).
- 1,938,947 common shares for cash proceeds of \$102,589 pursuant to the exercise of stock options at the exercise price of C\$0.07.

*Offering*

On May 2, 2023, the Company closed a bought deal offering through the issuance of 36,800,000 common shares at a subscription price of C\$0.50 per common share, for aggregate gross proceeds to the Company of \$13,520,717 (C\$18,400,000). The Company paid agent's cash commission totalling \$616,146 (C\$838,500) and issued 1,677,000 agent's compensation options, valued at \$264,153 (C\$358,912). Each agent's compensation option is exercisable for one common share at an exercise price of C\$0.50, expiring May 2, 2025. The value of the agent's compensation option was determined using Black-Scholes pricing model. The assumptions used to calculate the fair value of the agent's compensation options were: an expected life of 2 years; annualised volatility of 76.30%; a risk-free interest rate of 2.95%; and zero expected dividend yield. The Company incurred other share issuance costs of \$299,728 on this offering. Total transactions costs incurred and allocated to share premium was \$1,180,026.

**Reserves - Stock options**

Stock option and share purchase warrant transactions. Please refer to note 13.

**Other Reserves**

	<b>Recognition and measurement</b>
Convertible note reserve	Convertible note reserve represents the equity component of a convertible note agreement. The convertible note agreement was extinguished and not converted.
Share based payments	Share based payments accounts represent the accrued employee entitlements to share awards that have been charged to the income statement and have not yet been exercised. Once exercised, the difference between the accumulated fair value of the awards and their historical on-market purchase price is recognised in share premium.
Warrant reserve	Warrant reserve represents the accrued amount of agent's compensation option units. Once exercised, the amount accrued is recognised in share premium.
Other reserves	Other reserves represent the debt settlement transactions and the carrying nominal value of the cancelled shares that was eliminated from share capital.
Accumulated other comprehensive loss	Accumulated other comprehensive loss represents exchange difference arising from the translation of non-US dollar functional currency operations within the Group into US dollars.
Deficit	Deficit represents cumulative profits or losses and other adjustments

**15 Non-current Assets - Company**

The movements in financial fixed assets were as follows:

	Cancana	Rio Cabaçal Internacional	Total
	\$	\$	\$
Balance as at January 1, 2023	16,799,475	7,580,000	24,379,475
Capital contributions	1,048,164	3,265,030	4,313,194
Balance as at December 31, 2023	17,847,639	10,845,030	28,692,669
Balance as at January 1, 2024	17,847,639	10,845,030	28,692,669
Capital contributions	1,492,715	-	1,492,715
Impairment of intercompany investments	(19,340,353)	-	(19,340,353)
Balance as at December 31, 2024	1	10,845,030	10,845,031

**16 Related party disclosures**

**Transactions with intergroup entities**

	Intercompany loans receivable (payable)	
	2024	2023
	\$	\$
Receivable		
Meridian Mineração Jaburi S.A.	-	7,308,153
Rio Cabaçal Internacional Ltda.	13,404,708	4,320,987
	13,404,708	11,629,140
Payable		
Cancana Resources Corp.	(793,245)	(793,245)
	(793,245)	(793,245)

**Group's key management compensation**

Key management personnel transactions for the year ended December 31, 2024, included compensation paid to the Company's independent Directors (Ms. Susanne Sesselmann, Messrs. John Skinner, Douglas Ford, Neil Gregson, Bruce McLeod), as well as the Company's Chief Executive Officer ("CEO") and Director (Mr. Gilbert Clark), President and Director (Dr. Adrian McArthur), Chief Financial Officer (Ms. Soraia Morais), Senior Vice-President – Strategy and Projects (Mr. Martin McFarlane), and Senior Vice-President of Corporate Development (Mr. James McLucas).

	2024	2023
	\$	\$
Salaries and consulting fees	1,243,978	1,059,751
Director's fees	121,475	116,906
Share-based compensation	-	1,005,315
	1,365,453	2,181,972

**Group's other related party transactions**

As at December 31, 2024, the Group had the following balances due to/from entities related by way of common directors and/or management. These amounts, unless otherwise noted, were unsecured and non-interest bearing.

	December 31, 2024	December 31, 2023
	\$	\$
Other liabilities - management and Board fees	78,761	48,014

## 17 Commitments and Contingencies

A significant portion of the Group's operations are located in Brazil. From time to time various legal, labour, environmental and tax matters are outstanding due to the nature of both current and historical operations. The Group has taken and continues to take all necessary and available steps to comply with relevant laws and regulations, however there is no assurance such steps will be successful.

## 18 Capital Management

The capital structure of the Group consists of equity totalling \$9,189,543 (2023 – \$15,019,001). The Group's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity.

The Group manages the capital structure and makes adjustments as a result of changes in economic condition and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

The Group's policy is to invest its excess cash in highly liquid, fully guaranteed, bank sponsored instruments. The Group is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

## 19 Risk Management and financial instruments

### Financial instruments

The Group is required to disclose the fair value of each class of financial assets and liabilities in the financial statements. Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect placement within the fair value hierarchy levels.

The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of cash and accounts payable approximate fair value due to the short-term nature of the financial instruments.

### Risk management

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include credit risk, currency risk, interest rate risk and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

#### *Credit risk*

Financial instruments that potentially subject the Company to credit risk consist of cash. The Company deposits cash with high credit quality financial institutions as determined by rating agencies.

#### *Currency risk*

The international nature of the Company's operations results in foreign exchange risk. The Company's operating costs are primarily in US dollars, Canadian dollars, Brazilian reals, and British pound sterling. Hence, any fluctuation of the US dollar in relation to these currencies may affect the profitability of the Company and the value of the Company's assets and liabilities.

The principal financial instruments by category are as follows:

Group financial assets and liabilities

	Fair Value through profit and loss		Amortised Costs	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and Cash equivalents	-	-	7,710,874	7,095,927
Trade and other receivables	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>7,710,874</b>	<b>7,095,927</b>
<b>Financial liabilities</b>				
Trade and other payables	-	-	1,630,681	1,854,349
Warrant liability	-	-	-	-
Loans payable	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,630,681</b>	<b>1,854,349</b>

Company financial assets and liabilities

	Fair Value through profit and loss		Amortised Costs	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash at bank and on hand	-	-	7,454,742	7,011,475
Intercompany loans	-	-	21,189,677	11,629,140
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>28,644,419</b>	<b>18,640,615</b>
<b>Financial liabilities</b>				
Trade and other payables	-	-	393,665	244,351
Intercompany loans	-	-	793,245	793,245
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,186,910</b>	<b>1,037,596</b>

**Risk management**

The Group is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include credit risk, currency risk, interest rate risk and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

*Credit risk*

Financial instruments that potentially subject the Company to credit risk consist of cash. The Company deposits cash with high credit quality financial institutions as determined by rating agencies.

*Currency risk*

The international nature of the Company's operations results in foreign exchange risk. The Company's operating costs are primarily in US dollars, Canadian dollars, Brazilian reals, and British pound sterling. Hence, any fluctuation of the US dollar in relation to these currencies may affect the profitability of the Company and the value of the Company's assets and liabilities.

The Group is exposed to foreign exchange risk through the following financial assets and liabilities denominated in currencies other than the functional currency of the applicable company. The following table are the US dollar equivalents of the Company's exposure to the following currencies:

As at December 31, 2024	Australian dollar	British pound	US dollar	Canadian dollar
Cash	\$ 44,043	\$ -	\$ 1,747	\$ 7,246,029
Total Assets	44,043	-	1,747	7,246,029
Trade and other payables	(67,326)	(37,631)	(352,283)	(148,466)
Net Assets	\$ (23,283)	\$ (37,631)	\$ (350,536)	\$ 7,097,563
As at December 31, 2023			US dollar	Canadian dollar
Cash			\$ 1,819	\$ 6,156,849
Total Assets			1,819	6,156,849
Trade and other payables			(676,465)	-
Net Assets			\$ (674,646)	\$ 6,156,849

As at December 31, 2024, fluctuations of +/- 10% in the US dollar, relative to those foreign currencies, would impact the Company's Statements of Loss for the year ended December 31, 2024 by approximately \$668,611. In addition, such fluctuations would impact the Company's consolidated total assets, consolidated total liabilities and consolidated total equity by approximately \$729,182, \$60,571 and \$668,611, respectively, as at December 31, 2024.

The Company does not use derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange.

#### *Interest rate risk*

The Company's financial assets exposed to interest rate risk consist of cash balances. None of the Company's payables are subject to floating interest rates. The Company does not believe its interest rate risk is significant.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial assets.

The Company has historically relied upon equity financings to maintain an adequate level of cash to satisfy its capital requirements and will continue to depend heavily upon equity financings. All of the Company's accounts payable and accrued liabilities are subject to normal trade terms. The Company is exposed to risk that it will encounter difficulty in satisfying liabilities on maturity.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company will need additional capital in the future to finance ongoing exploration of its properties, such capital is expected to be derived from the completion of equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the previously mentioned financing activities.

The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as exploration success. In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

As at December 31, 2024, the Company's liabilities that have contractual maturities are as follows:

	Less than 1 year	Less than 2 years	2 years or greater	Total
Trade and other payables	\$ 1,630,681	\$ -	\$ -	\$ 1,630,681
Provisions	282,665	-	-	282,665
	<u>\$ 1,913,346</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,913,346</u>

## 20 Segment information

The Group operates in one operating segment, being the acquisition, exploration and development of exploration and evaluation properties in Brazil. Accordingly, the chief decision makers consider Meridian to currently have one segment and, therefore, segmented information is not presented.

## 21 Subsequent events

### a) Private placement

On February 19, 2025, the Company closed a private placement through the issuance of 44,187,432 common shares at a price of C\$0.39 per common share for gross proceeds to the Company of C\$17,233,098 (\$12,127,300). The common shares issued pursuant to the private placement are subject to a four-month hold period expiring on June 20, 2025.

### b) Stock options and agent's compensation warrants exercises

In addition to the common shares issued pursuant to the private placement, the Company issued the following common shares subsequent the year ended December 31, 2024:

- 21,538 common shares related to the exercise on a cashless basis (net exercise) of 70,000 share purchase stock options, in accordance with the Company's omnibus plan; and
- 2,677,504 common shares for cash proceeds of \$829,656 pursuant to the agent's compensation options at the exercise price of C\$0.35 and C\$0.50.

### c) Grant of stock options

On April 15, 2025, the Company granted 7,150,000 stock options to employees, officers, directors and consultants that will vest one-third on April 15, 2025, one-third on October 15, 2025 and one-third on April 15, 2026 with an exercise price of C\$0.63 per common share for a term of five years, until April 15, 2030.

### d) Amendment of the Cabaçal Purchase Agreement

On April 15, 2025, the Company amended the terms of this fifth instalment where the payment will be made by June 30, 2026, but is subject to the successful completion of the positive economic feasibility study. The amended terms required the Company to advance an additional total amount of \$600,000, divided in monthly instalments, from October 2025 to January 2026, to be deducted from the total amount of the fifth payment.